During 1987-88, an amount of Rs. 44.65 crores has been disbursed by NABARD to various banks under the automatic refinance scheme for non-farm activities. The banks in rural areas are availing of refinance from NABARD for assistance under the above scheme.

Term Loan by the Bank of Baroda

1672. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently Bank of Baroda has opened exclusively 'Industrial Finance Branch' at Parliament Street, New Delhi to provide both term loan as well as working capital from a single window to generate more employment and end poverty under the new 20-Point Economic Programme of the Prime Minister particularly for small scale sector besides medium and big sectors; if so, what are the details thereof;

(b) whether it is also a fact that the above named Branch have advised that it should largely be guided by the viability of the project while entertaining credit proposal and no collateral security by way of immovable property or third party guarantee should be insisted upon as a matter of routine particularly for small scale industrial projects set up by individuals except the assets created out of the loan required to be hypothecated so as to generate more employment under the new 20-Point Economic Programme; and

(c) what is the area of operation of the above named Branch and norms laid down by this Branch for operation of accounts?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Bank of Baroda has reported that it has opened on 20th June, 1988 an Industrial Finance Branch at 16, Parliament Street, New Delhi. The branch will be considering all advance proposals, with limits over Rs. 50 lacs for working capital term loan requirements from big medium and small scale industrial units.

(b) Bank of Baroda has reported that in processing the loan applications, the branch will continue to be guided by norms of lending viz. viability of project, adequacy of security etc. As regards obtaining collateral security and third party personal guarantee, the same are being taken not as a matter of routine but in accordance with the guidelines of Reserve Bank of India.

(c) Bank of Baroda has reported that the area of operation of the branch would comprise the metropolitan centres New Delhi and Delhi.

Activities of a Retired Air Vice-Marshal convicted for espionage

1673. SHRI KAPIL VERMA:
SHRIMATI VEENA VERMA:
SHRI RAM CHANDRA VIKAL:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Air Vice Marshal K. H. Larkins (Retd.) who along with his brother Major Gen. F. H. Larkins (Retd.) was convicted in 1985 for espionage had started one of the most successful reform schools in Tihar Jail;

(b) what was the impact on character and behaviour of prisoners who joined the classes and how many juveniles attending the classes came back to the Jail after their release;

(c) whether the education wing of the Human Resource Development Ministry is seriously trying to recruit Mr. Larkins as a consultant for an action plan for the education of prisoners; and

(d) whether the reform school issue has been discussed by the education officials with his Ministry, if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI SONTOSH MOHAN DEV): (a) No, Sir. However, services of R. I. convict K. H. Larkins were utilised to teach basics of English and General knowledge to the young prisoners.

(b) Does not arise.

(c) No, Sir.

(d) The Government have decided to take up the matter about mobilising and involving prison management staff in imparting functional literacy to adult illiterate convicts and under-trial prisoners in jails with the State Govts. and Union Territory Administrations.

World bank loans

1674. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government retain 30 per cent of world Bank loans though they are meant for specific projects;

(b) if so, what are the reasons for such a decision and which are the projects affected due to this decision and what is the total amount retained by the Central Government during the last three years;

(c) whether Government propose to revise the policy and pay the entire loan amount for the concerned projects without any cut or retention; and

(d) if so, what are the details thereof and if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (d) Government of India have a well defined arrangement for transfer of resources from the Centre to States. The Finance Commission determines the norms of devolution of funds from Centre tax receipts to state revenue every five year. The developmental plans of the States which include all externally aided projects are assisted through central assistance the bulk of which is distributed on the basis of what is generally described as the revised Gadgil formula. In determining the total resources for the country's plan, foreign assistance received is taken into account. The central assistance distributed to States therefore already takes into account the total foreign aid received. Consequently, the Central assistance to any foreign aided project is more than what is reflected through the 70 per cent additional central assistance on account of externally aided projects.

Project-wise details of the additionality released to State Government during the last 3 years are enclosed. [*See* appendix CXLVII, Annexure No. 68].

Considering all aspects of the case, it has been decided to continue the existing policy for the present.

Setting up of a security paper mill at Vadodara, Gujarat.

1675. SHRI VITHALBHAI M. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to set up a New Security Paper Mill at Vadodara in Gujarat;

(b) if so, what are the details in this regard; and

(c) by when work will start on this project?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) and (c) Does not arise.